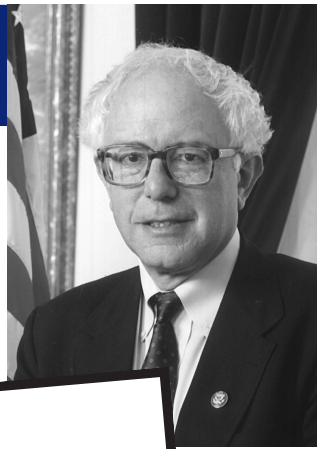




U.S. Representative

Bernie Sanders

Focus on Senior Citizens' Issues



Winter 2001/02

Congress of the United States
House of Representatives
Washington, D.C. 20515

Dear Vermont Senior,

I am writing to update you on some issues of vital importance to seniors and to remind you that, if my office can help you in any way, please do not hesitate to call us at 1-800-339-9834.

While much of the attention of Washington, DC, and the nation as a whole, is appropriately focused on the threat of terrorism and the conflicts in Afghanistan and the Middle East, the problems confronting seniors – the high cost of prescription drugs, access to affordable health care, veterans' needs, preservation of Social Security and Medicare – have not gone away. In my view, while we defend our nation from terrorism, we can and must work simultaneously to solve the many domestic problems that existed before the attacks and that continue to harm the well-being of America's citizens.

I should tell you that given the many serious economic concerns facing the middle-class and working families of this country, especially as we enter a recession, I have strongly opposed the priorities of the House Republican leadership. I think it's much more important to provide prescription drugs to our seniors, strengthen Medicare and make sure all seniors and veterans have high quality health care than to provide \$1.3 trillion in tax breaks, about 40% of which goes to the top 1% in income. Some of the major issues I'm working on are:

Social Security: In my view, Social Security has been the most successful anti-poverty program in the history of our country. Nonetheless, there are powerful special interests who want to make radical changes that would weaken a program which has been vital for the well-being of millions of Americans.

Many people may not know that the President has assembled a commission to make recommendations about the future of Social Security. The commission recently released three separate proposed plans to "fix" Social Security. Unfortunately, each of the plans will result in a reduction of benefits. In my view, we should focus on extending the life of Social Security and increasing the cost-of-living adjustment that seniors receive – not weakening benefits or privatizing it.

Prescription Drugs: One of the most serious threats to the health of seniors continues to be the outrageous cost of prescription drugs. Americans pay, by far, the highest prescription drug prices in the world – on average almost double the amount for the same exact drugs in other industrialized nations. The drug companies continue gouging Americans while they make billions in profits. I am helping to lead the effort in Congress to lower drug prices and to make certain that a strong prescription drug benefit exists within Medicare.

Health Care: In my view the United States is wealthy enough to insure that all Americans get high quality health care, including the special medical needs of seniors. Unfortunately, we've been moving in the opposite direction. In recent years, large cuts to Medicare and Medicaid – cuts I strongly opposed – have put financial pressure on nursing homes, hospitals, and home health care agencies. In addition, fewer Americans can see the physician of their choice.

If you have any questions or comments on these or any other issue, please call my office at 1-800-339-9834. My excellent staff has provided help to many Vermont seniors on issues such as Social Security, Medicare, Medicaid, housing, nutrition and veterans' needs. Also, please check out our website at bernie.house.gov.

Sincerely yours,

Bernie
Bernard Sanders
U.S. Congressman

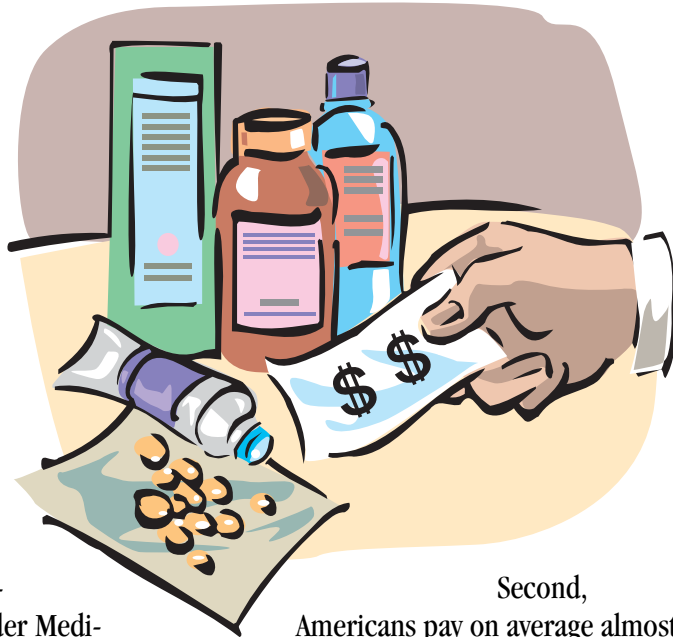
Seniors Need Affordable Prescription Drugs

The lack of affordable prescription drugs is a serious health concern for seniors and the nation as a whole. A recent study showed that 22% of people, including those with insurance, had not filled at least one prescription because of the cost. Tragically, many seniors in Vermont and across the country are forced to cut their dosages in half, or cut back on other basic necessities in order to buy the medicine they need. In the richest country on earth, this is not acceptable.

As many of you know, I have been helping to lead the effort in Congress to lower the cost of prescription drugs and to make certain that all senior citizens have a prescription drug benefit under Medicare. At a time when Americans pay by far the highest prices in the world for prescription drugs, I have accompanied two groups of Vermont seniors across the Canadian border to purchase the medicines they need at lower prices. On those trips I saw for myself women buying Tamoxifen, a widely prescribed breast cancer drug, for one-tenth the

price it sells for here — the exact same medication.

The prescription drug crisis can be understood by revealing several key facts about the pharmaceutical industry. First, every year it is one of the most lucrative industries in America, pocketing over \$30 billion in profits last year alone.



Second, Americans pay on average almost twice as much as do the people in France, Germany, Italy and Canada for the same exact medicine, usually manufactured in the U.S. Third, the pharmaceutical industry spends more money on campaign contributions, political advertising, and lobbying than any other industry. During the last three years, the industry has spent over \$200 million

dollars to influence Congress. Because of their money and political clout, Congress bows to their wishes and refuses to stand up for the American consumer.

I have offered the strongest and most comprehensive prescription drug legislation in Congress this year. To provide a real response to the crisis in prescription drugs, my bill would provide prescription drug coverage to seniors within the Medicare program, and would substantially lower the cost of prescription drugs for all Americans. This legislation, called the Medicare Extension of Drugs Act (MEDS), would cover 80% of the cost of medications, and 100% once the senior has paid a maximum of \$2,000 out of pocket in a year. If this legislation passes, no senior in America will ever again have to worry about whether they can afford their medicine.

MEDS also lowers the price of medicines for everyone by allowing American pharmacists and prescription drug wholesalers to purchase FDA-approved drugs at the lowest price sold abroad. With this legislation, supported by community pharmacists all across the country, Americans would see a 30-50% reduction in the price of prescription drugs without any government cost.



Health Care: Protecting and Improving the Future

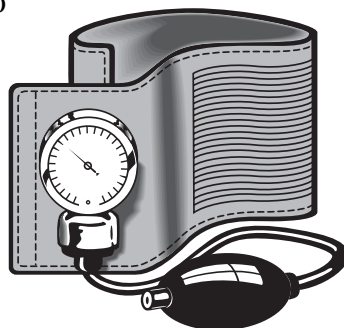
While we continue the fight for comprehensive health care for all Americans, we must strengthen Medicare and Medicaid — programs that are critical to seniors. Unfortunately, in recent years, we have gone backwards in this area. As a result of the so-called Balanced Budget Act of 1997, which I strongly opposed, hundreds of billions of dollars have been cut from Medicare. Outrageously, much of the money saved in these cuts was converted into tax breaks for the wealthy.

As a result of these Medicare cuts, seniors in nursing homes and hospitals and those receiving home health care have seen reductions in their access to health care, and its quality. As bad as

that situation is, it could get worse if the Republican leadership does not take action immediately, as a number of us in Congress are urging them to do. A 15% reduction in payments for home health care is scheduled to happen in early 2002. I am backing legislation to stop that cut.

Further, another consequence of the 1997 Balanced Budget Act is that many seniors are now experiencing higher Medicare co-payments than the 20% co-payment they used to pay. Called the "Outpatient Prospective Payment System," this provision replaces the standard 20%

Medicare co-pay with a scale that could significantly increase co-payments in some areas. I have cosponsored H.R. 3284, the "Medicare Outpatient Co-payment Reduction Act," to return to the 20% co-payment.



Medicare needs immediate improvement in the area of preventive care. It is unacceptable that Medicare does not cover preventive health care screenings, dental needs, eyeglasses, and hearing aids. I have spoken with many Vermont seniors who simply cannot afford to pay for these basic necessities out of their limited incomes. That must change.

Social Security: Build it Up, Don't Tear it Down

President Bush has formed a “Commission on Strengthening Social Security.” What this commission has revealed in its attempt to *reform* Social Security, though, is something far removed from *strengthening* Social Security. In fact, it would be more aptly termed the commission to *privatize* Social Security, something I strongly oppose.

Many politicians claim that Social Security is in “crisis” and that the only solution is to force seniors into private investment accounts tied to the stock market. I strongly disagree. The truth is that Social Security is far from being in “crisis.” In fact, its financial condition is strong.

As of this year, the Social Security Trust Fund has a surplus of over \$2.3 trillion dollars and will be able to pay full benefits for every eligible American for the next 37 years – until the year 2038. With only minor, adjustments Social Security will be able to pay out benefits for the next 75 years.

Some are attempting to exploit confusion as to what the function of Social Security is. They see it as an investment-type program designed to earn as much money as possible. I disagree with that formulation. Social Security was developed as an *insurance* program designed to make certain that every American would have *guaranteed* retirement benefits. And, in that regard, it has worked very well. Every eligible American has always received his/her full Social Security benefit even when the economy was bad or the stock market was in decline.

Millions of Americans choose to take the risks involved in investing in the stock market, and that's their right. Some make money, and some lose money. But that's not what Social Security is about. To my mind Social Security means a *guaranteed* benefit that will always

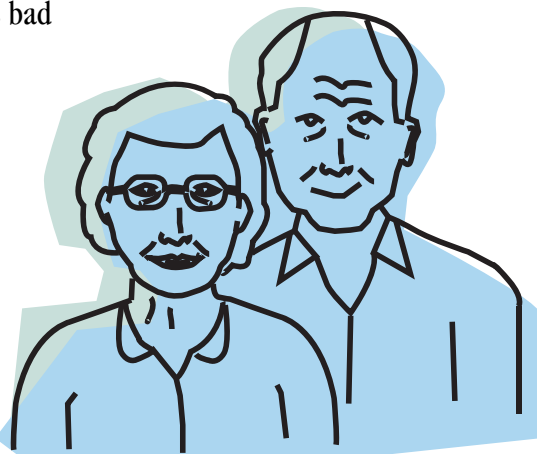
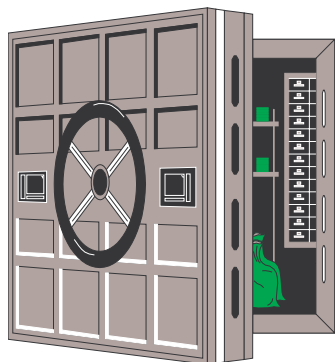
be there. That's the principle I am fighting for.

President Bush's “Commission on Strengthening Social Security” has put forward three “options” for Social Security reform. Not surprisingly, each of these options includes some form of privatization. In my view, these recommendations for “reform” would significantly short-change the next generation of Americans. The plans would encourage workers to invest in individual accounts that would be tied to the stock market, not U.S. Treasury Bonds, the safest investment in the world.

Unacceptably, all three plans the President's commission is considering would require large cuts in the current defined benefit for future generations – even for those who do not opt for an individual account. Each plan has the potential to cut benefits by up to 48% by the year 2070.

What can be done to extend the life of Social Security without cutting benefits? The answer is simple. Today, everyone from a minimum-wage worker to the richest person in America pays Social Security taxes at the same rate – 6.2 percent. But the law only requires people to pay those taxes on their first \$80,400 of income. Everything over that is exempt, which means the wealthy actually pay a lower percentage of their income in Social Security taxes than people making under \$80,400.

Removing that ceiling so that everyone makes a fair contribution to

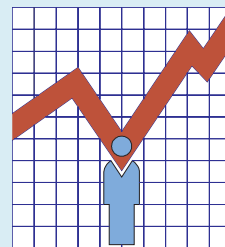


Real Social Security COLAs

Year after year, Social Security cost-of-living adjustments (COLAs) do not accurately reflect the inflation in the expenses of senior citizens, and the elderly fall economically further and further behind. The reason for this is that the formula the government uses to determine COLAs is based on the *general* level of inflation, which is almost always lower than the increase in costs faced by seniors.

The reality is that seniors spend far more than the general public on health care and prescription drugs – costs that are going up much faster than general inflation. For 2002, seniors will be receiving a 2.6 percent COLA. For most seniors, this will not cover their increased expenses.

In order to remedy this unfair situation I have introduced H.R. 2035, the “Consumer Price Index for Elderly Consumers Act,” which now has 55 cosponsors. This bill establishes a new and separate COLA inflation index for seniors. This would result in higher COLAs and higher Social Security checks.



Social Security would extend the system for many years beyond the current projections. In fact, by doing so, the tax rate could even be reduced. This approach makes a lot more sense to me than lowering benefits, or putting the future of Social Security at risk.

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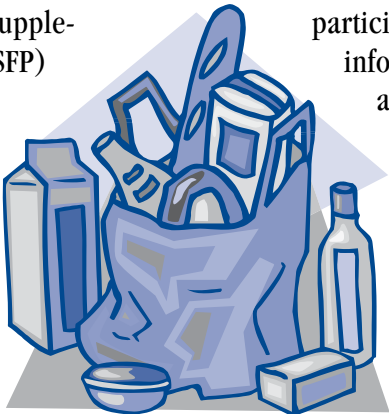
If you receive more than one copy of this newsletter, we apologize. Please feel free to pass the extra copy along to an interested friend.

This mailing was prepared, published, and mailed at taxpayer expense.

Nutrition Programs for Seniors

No senior in America should go hungry, and good nutrition is the key to good health. That is why I strongly support nutrition programs such as Meals on Wheels, congregate meal sites and the food stamp program. It is also why I passed a \$10 million dollar amendment that brought the Commodity Supplemental Food Program (CSFP) to Vermont.

CSFP provides a once-a-month distribution of free food to lower-income seniors. The package of quality food includes products such as pasta, cheese,



juice, tuna fish, vegetables and other nutritious food items. So far, some 7,000 Vermont seniors have joined the program in the short period of time that it has been in existence.

The Commodity Supplemental Food Program is easy to participate in. For more information about this and other senior nutrition programs, you can call my office at 1-800-339-9834, or the Commodity Supplemental Food Program Hot Line at 1-800-214-4648.

Low-Cost Prescription Drugs for Veterans

Many veterans are not fully aware of the benefits to which they are entitled.

In the past few years my office has helped hundreds of Vermont veterans receive low-cost prescription drugs through the Veterans Administration (VA) health care system. If you are spending more than you can afford on medicine, and want to know how to save



money on prescription drugs, you might want to learn more about this important veterans' benefit.

Also the VA has opened new outpatient health clinics in Bennington, Rutland and the St. Johnsbury area – meaning that many Vermont veterans do not have to travel to White River Junction for their health care needs. Sam Haskins, who worked as a benefits counselor with the VFW for 14 years, is the veterans' specialist in my office. For more information on veterans' benefits, please give Sam a ring in my office at 1-800-339-9834.

We're can help...

Many seniors are entitled to programs that make their lives easier. These programs include:

- Vermont Commodity Supplemental Food Program
- Food Stamps
- Assistance with Medicare premiums and out-of-pocket health care costs
- Medicaid
- Prescription drug help through VHAP Pharmacy and VScript
- Fuel Assistance
- Veterans' programs

All of these programs have different eligibility requirements which my office would be happy to discuss with you.

In addition, if you have any questions or comments on senior citizen concerns or any other issue, please do not hesitate to write my office, or call us at 1-800-339-9834. Please check out our website at: bernie.house.gov.

For a large type version of this newsletter, call 1-800-339-9834.